



"For SMART Management"

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MARGINSMART®

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MARGINSMART® Sample Farm Profitability Changes From Last Week

	Sep. '14	Oct. '14	Nov. '14	Dec. '14	Jan. '15	Feb. '15	Mar. '15	April '15	May '15	June '15	July '15	Aug '15
Change From Prior Week	-0.15	+0.02	-0.06	+0.25	-0.04	-0.12	-0.20	-0.31	-0.20	-0.31	-0.19	-0.29

Welcome to MARGINSMART®

The weekly newsletter will keep you up-to-date on various topics such as market news, upcoming events, and getting the most out of MARGINSMART®.

MARGINSMART® Tip of the Week

The tip of the week relates to changes in the settings for receiving texts. As a reminder to MARGINSMART's® recently released upgrade (which is available to all customers), to access your settings directly click the dropdown box to the right of your email address in the upper right hand corner of MARGINSMART®. You can change your password there if you ever need to. Platinum customers can also do the following:

- Identify which texts you would like to receive
- The days of the week you would like to receive them
- You can identify separate times for the AM and PM that you would like to receive milk margin or net income texts, and one time per day for Target Alert reminder texts

If you have any questions or would like for us to set this up for you, please call us.

Market News

Milk: Milk production around the world continues to exceed year earlier levels – in many cases by more than 5%. Many milk products are thus also higher than in 2013 as well. The strong US dollar will be detrimental and play a more prominent role in export opportunities soon.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

October 10, 2014 USDA WASDA Report highlights

- USDA raised corn production estimates to 14.5B bushels or 174.2 bu per acre for the 2014 crop
- Ending 2014/15 corn stocks are now projected at just over 2.1B bushels, up nearly 80M bu from Sept
- SB production was also raised 14M bu for 2014
- Est acres harvested for both corn and SB were cut
- Global ending stocks projected 25M bu higher
- Maturity and harvest of both corn and SBs continues to lag the 5 year average

Contact Curtis Gerrits at
920-217-7255 for a FREE
MARGINSMART® DEMO!

MARGINSMART® Insight

Feed prices have changed significantly during 2014. See page 2 for a summary of the price changes for canola meal, cottonseed and corn gluten feed.

Visit us on the Web at:

www.marginsmart.com

www.facebook.com/MarginSmart

Market Update (As of 10/10/2014 Close)

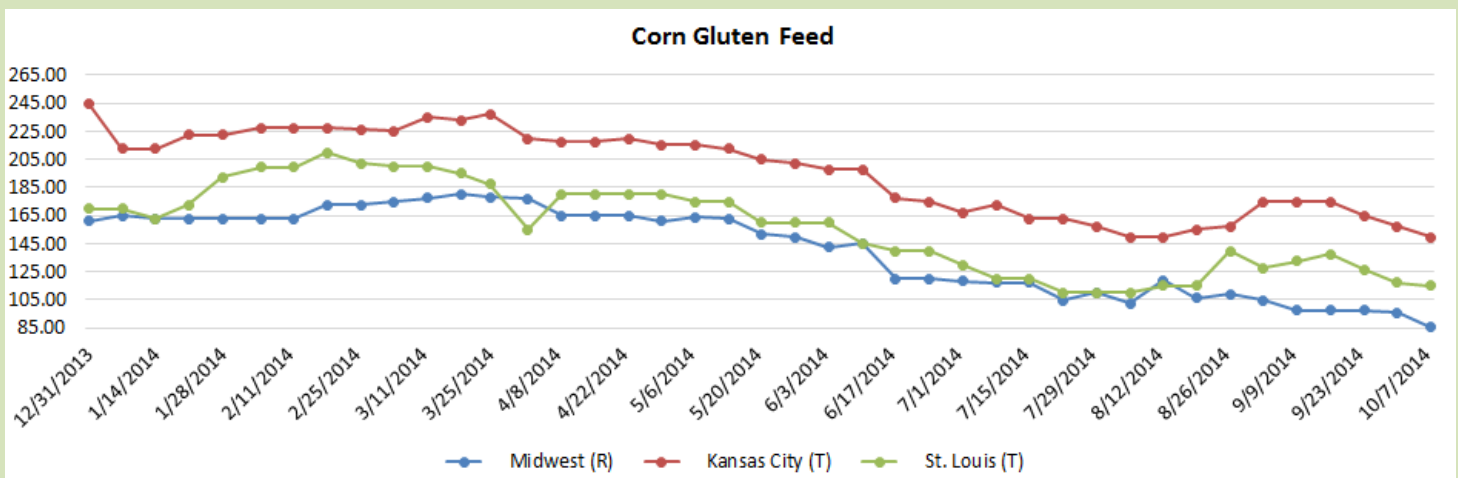
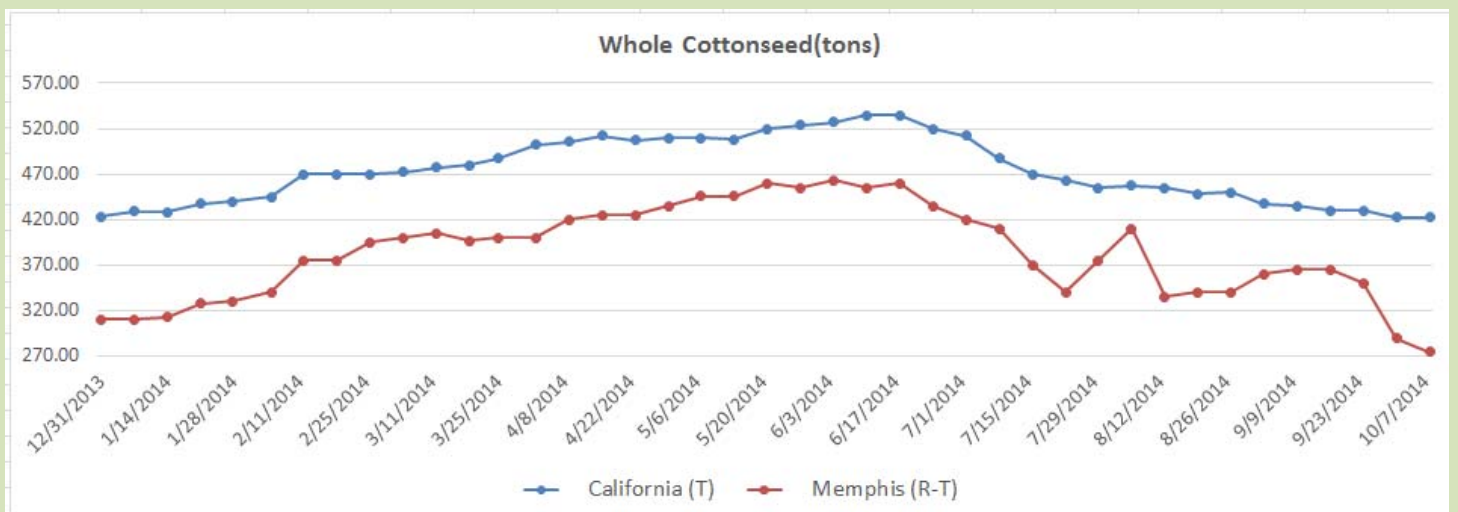
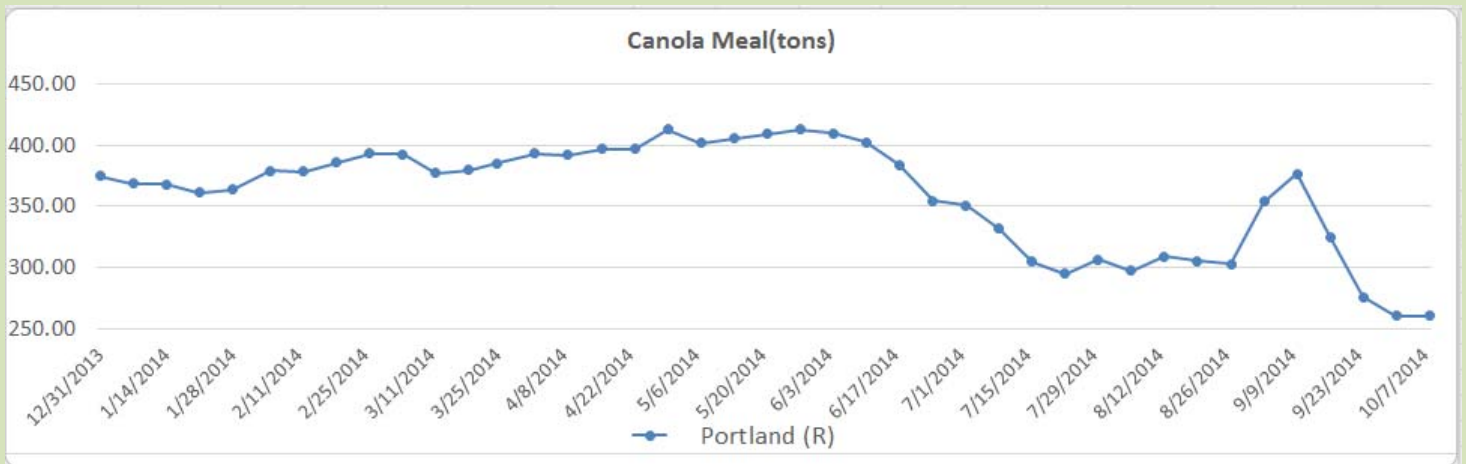
	Oct '14	+/-*	Nov '14	+/-*	Dec '14	+/-*	Jan '15	+/-*	Feb '15	+/-*	Mar '15	+/-*	Jul '15	+/-*
Class III Milk	24.14	-0.13	21.88	+0.14	20.09	-0.01	18.41	+0.24	17.70	-0.02	17.35	-0.09	17.04	-0.31
Class IV Milk	22.33	+0.75	19.65	+0.43	18.18	+0.66	17.82	+0.67	17.32	+0.42	17.15	+0.07	17.35	-0.05
Corn					3.34	+0.11					3.47	+0.11	3.64	+0.11
Soybeans			9.22	+0.10			9.30	+0.10			9.39	+0.11	9.54	+0.13
Soybean Meal	339	+31			311	+12	308	+11			303	+8	303	+7

*Change from the Previous Week Price

**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)

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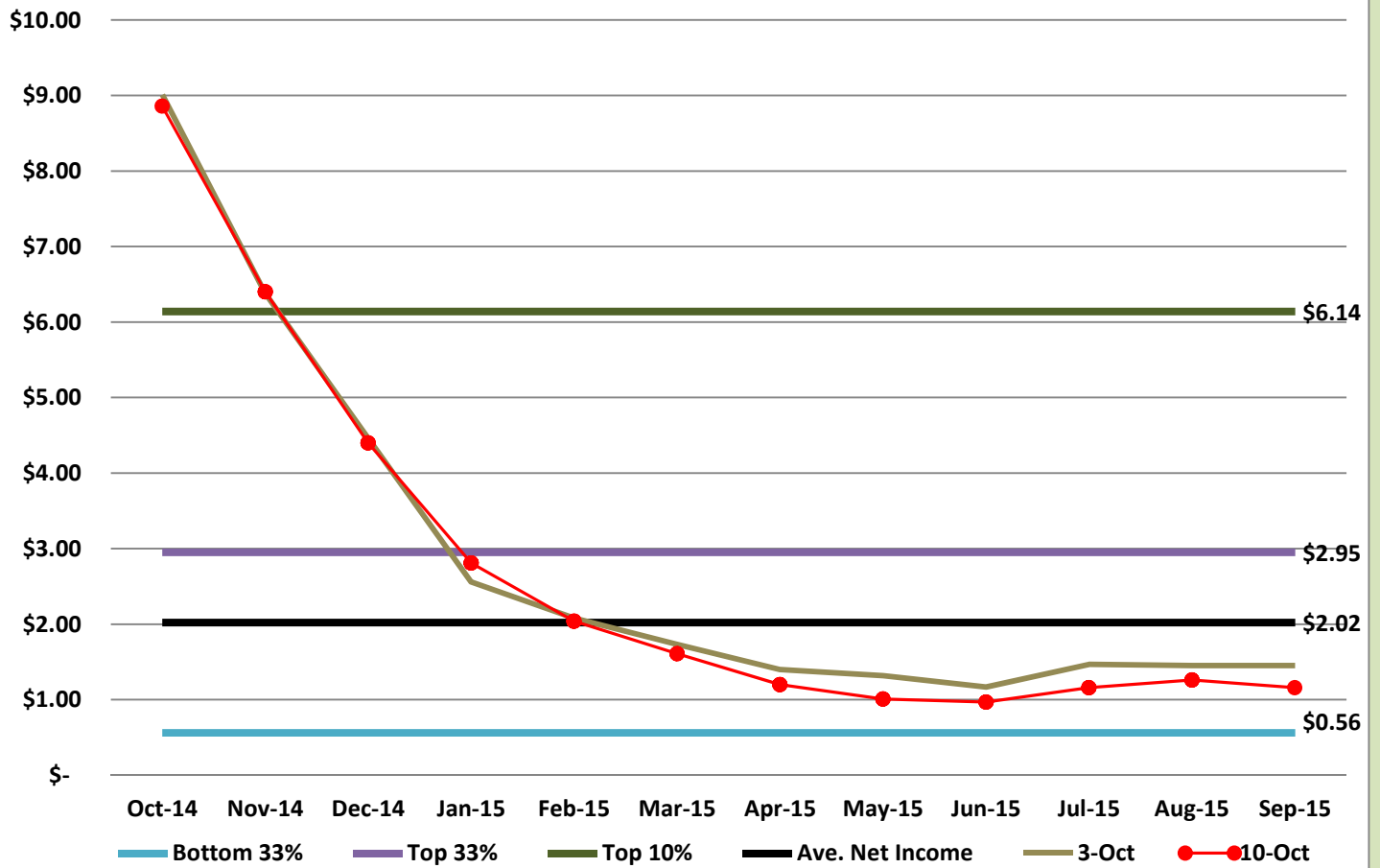
USDA Reported Pricing Graphs for 2014 on Select Feedstuffs





MARGINSMART® maintains a fully virtual Sample Farm with 1,500 mature cows and an 85 #s of milk / head / day shipped average. It buys 100% of its feed at market and its heifers are custom raised. The red line on the Net Income chart below shows the net income / cwt. available last Friday over the next 12 months based on 100% market prices for milk and feed, and full operating activities.

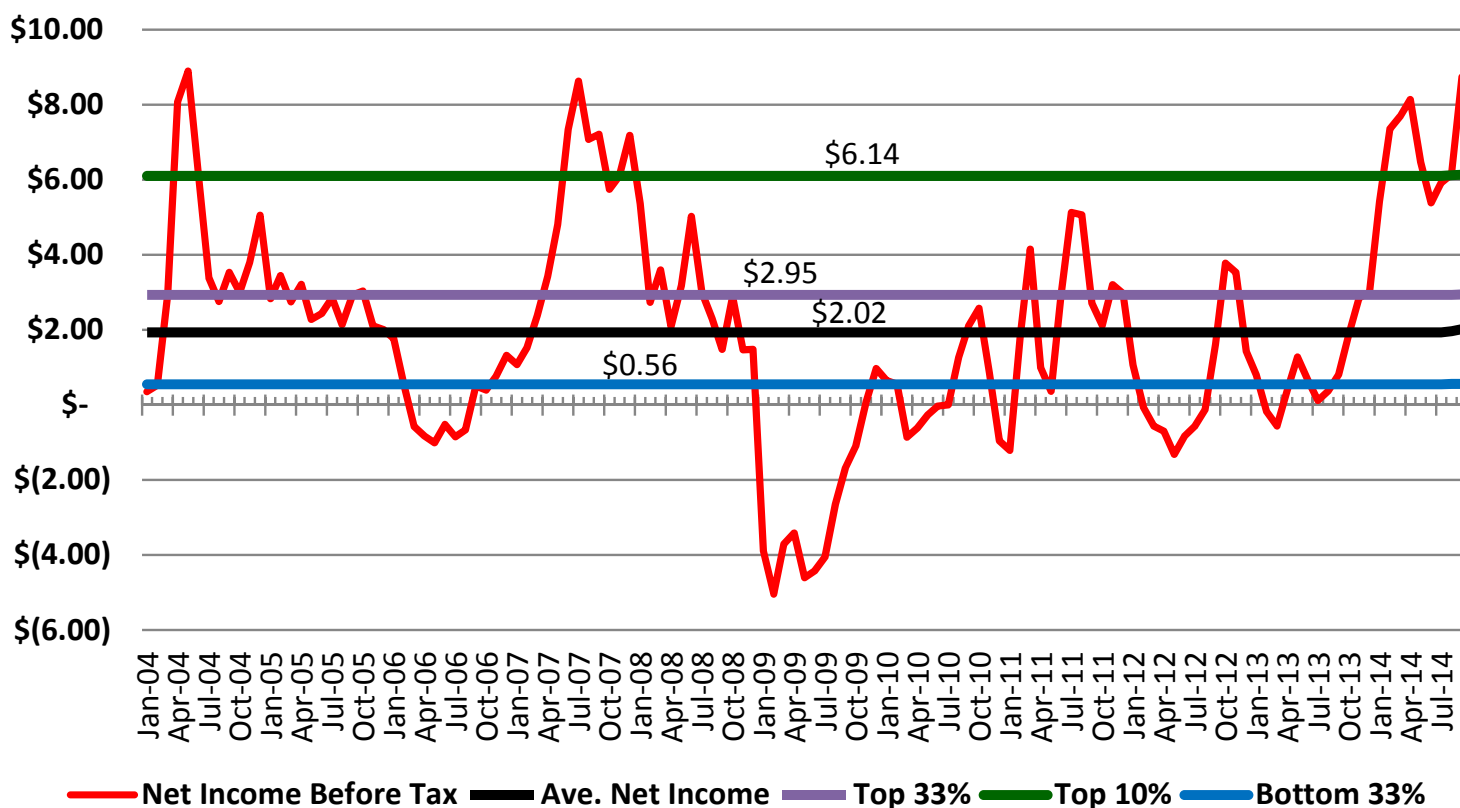
Net Income Available October 10, 2014





MARGINSMART® maintains a fully virtual Sample Farm with 1,500 mature cows and an 85 #s (current level – this has increased over the past 10 years) of milk / head / day shipped average. It buys 100% of its feed at market and its heifers are custom raised. We calculated the past 10 years' results (with adj. milk / day). The red line on the chart below shows the net income before tax for the last 10 years WITHOUT ANY contracting, and completely subject to market prices. It also shows the Top 10% (90th percentile), top 33% (67th percentage), the average and bottom 33% (33rd percentile.)

2004-2014 Historical Net Income Before Tax





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Historical Quarterly Average Net Income Before Tax

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.04	2.67	0.07	5.21	2.89	-2.79	0.44	2.52	0.60	0.95

Historical Quarterly Average Net Income Before Tax

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
2004	1.27	7.70	3.22	3.95
2005	3.01	2.64	2.64	2.38
2006	0.58	-0.79	-0.34	0.83
2007	1.66	5.19	7.64	6.34
2008	3.90	3.43	2.27	1.95
2009	-4.22	-4.15	-2.79	-0.01
2010	0.11	-0.30	1.13	0.82
2011	1.58	1.42	4.30	2.76
2012	0.15	-0.95	0.30	2.92
2013	0.02	0.77	0.43	2.57
2014	6.82	6.67	6.93	